



Alabama Department of Economic And Community Affairs

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GOVERNOR

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DEWAYNE FREEMAN
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ALABAMA CDBG INTERGOVERNMENTAL POLICY LETTER NUMBER 17

REVISION 2

TO: Persons Interested in State
CDBG Program

FROM: Dewayne Freeman
Director

POLICY ON TIMELY START UP

Meeting Conditions

Generally speaking, all conditions of a grant as detailed in the Letter of Conditional Commitment (LCC) must be met within seventy-five (75) days of the mailing date of the LCC. For each day over the specified due date, the State will have the option of terminating the grant proposal or taking other actions as determined appropriate, such as reducing the approved administrative budget by \$500.00 per day.

Starting Activity

Construction contracts must be fully executed within one hundred eighty (180) days of the date of the State's letter submitting the grant agreement. Should a community fail to meet this benchmark, the State may terminate the project. At that point, all administrative and engineering costs will become unallowable and have to be reimbursed to the State. The State reserves the right to grant an extension where reasons for not entering a construction contract, within the timeframe, were clearly valid.

With respect to comprehensive projects, the one hundred eighty (180) days will apply to one (1) infrastructure activity or the first five (5) houses under rehabilitation contract in a housing rehabilitation project. With respect to in-kind projects, the one hundred eighty (180) days will apply to either materials having been purchased or documented time being spent on the project site.

If you believe that the one hundred eighty (180) days start-up deadline cannot be met, you should submit a written request for an extension prior to the deadline date.

Effective Date: Immediately